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MAY 2 4 2003
OFFICE OF THE CECRETARY

May 24, 2000

Ms. Magalie R. Salas Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW Room TW-A325 Washington, DC 20554

Re: PP Docket No. 00-67 (Compatibility Between Cable Systems and Consumer Electronics Equipment)

Dear Ms. Salas:

The undersigned program networks provide non-premium and premium programming to cable operators and other multichannel video programming distributors. We understand that one issue in the above-referenced proceeding addresses the licensing of copy protection technology used to prevent unauthorized copying of high-quality cable programming and the requirements that can be imposed in a license for such technology.

We write to urge the Commission not to take any actions in the above-referenced proceeding that would reduce the protection that can be provided to high-quality programming by copy protection technology. In particular, we ask that the Commission do nothing to limit the use of copy protection technology and associated license requirements by cable operators or manufacturers of consumer electronics equipment.

We do <u>not</u> here address any of the specific legal or technical issues raised in this proceeding with respect to particular steps the cable industry, CableLabs, the content community or the Motion Picture Association of America ("MPAA") have taken to ensure that high quality cable programming is copy protected. We <u>do</u> express our overriding belief, however, that adequate copy protection of such programming is critical to the digital transition.

As the Notice at (¶11) recognizes:

[I]f digital content passes across an interface – whether between a television receiver and a set top box, a POD security module and a

No. of Copies rec'd 0+9 List ABCDE host device (e.g., a set top box or a television receiver), or some other interface – that content is susceptible to copying if the interface is unprotected. With a digital source, high quality copies can be made and further reproduced with virtually no degradation in quality. This has prompted content owners to express strong concerns about unauthorized reproduction of copyrighted material.

And, as Commissioner Ness said at last year's Western Cable Show:

One of the obstacles preventing the free-flow of digital programming is copy protection. Given the ease with which digital information can be replicated, the perfect quality of every digital copy, and the limitless distribution potential of the Internet, content producers understandably are concerned about placing their works on a cable system or broadcast network without adequate protections in place.

\* \* \*

[I]f a first-run digital product immediately can be captured off air or off cable and replicated like a master copy or webcast globally — without payment to the copyright holders, producers are going to be reluctant to release their product. I am committed to seeing a technological and legal environment in which Hollywood and the content community reasonably know that their product will retain its value and not be pirated.

Almost all television and motion picture programming, other than live events, depends on a distribution stream over time to recover its costs. Without assurances that this intellectual property will be protected from unrestricted copying, the whole economic structure on which content owners and networks now rely will be fundamentally undermined. In particular, the incentives for content owners to move high-quality programming to digital will suffer. And without such high-quality programming, consumers will have little reason to purchase digital television sets.

In sum, copy protection is a critical link in the digital transition house of cards; without copy protection, the transition could be placed in serious jeopardy. And undue government involvement in the ongoing give-and-take negotiations to resolve copy protection issues will hamper, not help, resolution of this issue.

We urge the Commission to take no steps to prevent the provision of copy protection technology by cable operators, consumer electronics equipment makers and any others in a position to impose safeguards to stop signal theft.

We are enclosing an original and nine copies of this letter for inclusion in PP Docket No. 00-67.

Respectfully submitted,

Bertram W. Carp

Williams & Jensen, P.C.

Counsel to Turner Broadcasting System, Inc.

John S. Redpath, Jr.

Sr. Vice President & General Counsel

Home Box Office

Preston R. Padden Executive Vice President, Government Relations The Walt Disney Company Daniel M. Fawcett General Counsel Fox Cable Networks Group

Anne Lucey
MTV Networks

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